

The HR Department of 2020: 6 Bold Predictions



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on June 25, 2019

The human resources department is doomed. There is no viable future for the HR function, and HR professionals will inevitably be replaced by software. At least that's what [some](#) are saying.

They're wrong.

Without a doubt, software is changing how HR functions. But rather than spell the end of the human resources function, the nine experts I interviewed predict these changes will provide growth opportunities for HR professionals. This article lays out what will change and why, as well as how HR professionals can prepare.

Prediction 1: In-house HR will downsize and outsourcing will increase.

This prediction may seem somewhat, well, predictable. But the reasons our experts give for the change might surprise you.

Industry analyst Brian Sommer, the founder of [TechVentive](#), claims a shift to smaller HR departments will be caused by new technologies and increased employee participation in HR processes. As he claims, "Many businesses are going to get a lot of capability done by better technology, more self-service and the employee doing a lot on their own." For instance, employees will increasingly input their own data into self-service systems.

In addition, many transaction-heavy [HR jobs](#) will be outsourced entirely to HR agencies or specialists. Dr. Janice Presser, CEO of [The Gabriel Institute](#), goes so far as to say, "Entry-level HR

jobs, as they currently exist, will all but disappear as transactional tasks are consigned to outsourced services.”

Elizabeth Brashears, the director of Human Capital Consulting at [TriNet HR](#), as well as Scot Marcotte, Barry Hall and Steve Coco of [Buck Consultants](#), believe benefits administration will be particularly impacted as a result of increasing regulations and a globalized workforce. Brashears says, “As regulations surrounding employment, and particularly benefits, become more and more complex, I believe that companies will turn to field experts to help navigate through the landscape.”

Elaborating on this point, the experts at Buck Consultants say, “With employees taking on increasing responsibility for their benefits, we’ll see not only the administration of benefit programs but the entire benefits department become outsourced. Service firms will offer ‘benefit-in-a-box’ models that will offer cost-effective, bundled health and welfare, wellness and retirement plans to organizations.”

Nonetheless, the internal HR function will survive. As Chip Luman, the COO of [HireVue](#), explains, “Given the ongoing regulatory environment, the need to pay, provide benefits, manage employee relations issues, and process information will go on.”

Prediction 2: Strategic thinking will become in-house HR’s new core competence.

The leaner version of HR that remains will need to reposition itself as a strategic partner within the business. In fact, the trend toward smaller, more strategy-focused HR departments was predicted 11 years ago in SHRM’s 2002 report, [The Future of the HR Profession](#).

More recently, an Economist Intelligence Unit [report](#) stressed the need for C-suite executives to partner with HR to drive growth. In support of that, over half the experts I interviewed mentioned that HR needs to increase its strategic value to the business—or else. Dr. Presser says, “This includes the ability to make accurate projections based on understanding the goals of the business and using metrics that describe more than lagging indicators, such as how long it takes to fill a job or the per-employee training spend.”

This strategy role cannot be outsourced. As Dr. Presser says, “Strategic planning requires in-house expertise.”

In fact, Brashears predicts the trend toward a more strategic HR function may even drive the creation of new job titles. As she explains, “HR Professionals will likely transition into HR Business Professionals who not only understand HR implications but also business operations and strategy.”

Prediction 3: The pendulum will swing back to the specialist.

Janine Truitt, Chief Innovations Officer of [Talent Think Innovations](#), observes a cyclical shift in the HR field. As she explains, “Every decade or so we fluctuate back and forth from the paradigm of the independent contributor/specialist to the generalist practitioner. We were in a ‘generalist’ mode and now I think the pendulum may be swinging back toward the specialist.”

Luman puts it more bluntly: “HR generalists as we know them will disappear.”

Brashears agrees, noting that “There will be more specialized roles. I believe this to be the case as the employment landscape becomes more complex with changing regulations around employment law and benefit compliance with the Affordable Care Act.”

Prediction 4: HR will increasingly utilize analytics and big data to augment its value to the firm.

In-house HR professionals will need to embrace analytics and “big data”—now often included in [talent management software suites](#)—to become strategic leaders in their companies. Gyutae Park, head of Human Resources at [Money Crashers](#) Personal Finance, predicts that:

“In the coming decade, the career trajectory of HR professionals will be determined more so than ever by the analysis of data and metrics. Although HR already uses

some metrics such as turnover ratios and employee engagement levels, you can expect to see new metrics tracked and used in HR, such as the average timeframe for staff to be ready for promotion, or percentage of top candidates to be hired within the organization.”

New hires might be needed in the HR department to accommodate the increased use of analytics. As Dr. Presser explains, “The current trends in big data will provide new ways for HR to prove its value, so we can expect HR departments to want to add people who can analyze and make projections using these tools, and people who can drive positive change using the information derived from the analysis.”

Prediction 5: Managing a remote workforce will be the new norm.

Recent moves by companies like Yahoo and Best Buy to end their remote work programs are the exception, not the new normal. Without a doubt, HR will increasingly have to tackle the challenge of managing a remote workforce. Luman points out that companies will need “to leverage employees where and when they are most productive and impactful”—even if that means they’re halfway around the world.

But remote management isn’t a skill you can pick up on the fly. Dr. Presser cautions that, “The trend toward remote workers is a growing challenge to managers who are not effective in managing people at a distance.”

Automation and a different set of expectations will be part of the solution. Wim de Smet, CEO of [Exaserv](#), predicts that “New technologies will be used to analyze the work production instead of the working time. Results will become more important and business will expect HR to be producing more result-driven performance analysis.”

Prediction 6: HR will need to become more like Marketing.

Sommer says that “recruiting is going to become more like marketing.” Specifically, he advocates that recruiters “identify specific micro-segments of either job seekers or job holders that you want to target to bring into your firm, just like a marketing firm would.”

The experts at Buck Consultants cast an even wider net. They claim the need for HR to think like marketers will expand beyond recruiting. “HR will evolve the ‘internal marketing’ role to include social marketing coordination and brand ownership, that is, outside talent ‘buying’ into the brand—the company—to potentially work in the organization,” they say.

Preparing for 2020

What can current HR professionals begin doing now to prepare for these predicted changes? The experts all endorse one tactic: keep learning. Risk-taking and networking will help, too.

“Get ahead of the curve,” advises Dr. Presser, “Realize that many of today’s ‘best practices’ evolved under very different business conditions, and may well become obsolete within this decade. Learn everything you can about your industry, your competitors, and pending legislation that affects your business operations. Most of all, define yourself as a businessperson and act accordingly.”

Truitt advises pursuing additional training or formal education. As she observes:

“One difference that we will see clearly in the next decade is that people will not be able to merely fall into HR. Long ago, when HR was ‘Personnel,’ the profession was largely made up of individuals that happened upon the profession. With many colleges and universities offering HR coursework and degrees at the bachelor’s and master’s level...it seems that the future HR practitioner will likely have to be formally educated in this discipline to be gainfully employed in HR.”

In particular, HR professionals should dig deep into one HR specialty. And, given their increasing importance, training should include data analysis and business strategy components.

Additionally, Lynda Zugec, Founder and Chairman of [The Workforce Consultants](#), advocates welcoming failure as a learning tool. As she says, "In the changing HR landscape of today, failure is embraced because it means that you were brave enough to 'give it a shot' and also that you now have more information regarding what works and what doesn't work than before. Eventually, if you keep exploring different avenues, you are bound to succeed."

Finally, Luman encourages HR professionals to develop their own personal brand—to find their voice and be active. As he says, "Network inside and outside of your field. Blog, communicate, read and help others achieve success. If you are not outside of your comfort zone, you are stagnating."

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